



Maryland Mental Health Parity Report - 2022 Updates

Background

The Mental Health Parity and Addiction Equity Act (MHPAEA) requires limitations on the coverage for mental health (MH) and substance use disorders (SUD) to be no more restrictive than the limitations on coverage that apply to benefits for medical/surgical (M/S) conditions. Each state's Medicaid program is required to submit an updated parity analysis to CMS on an annual basis. Maryland submitted a comprehensive parity report to CMS on October 1, 2021. Maryland is required to update this report for the current year by October 1, 2022.

The Maryland Department of Health (MDH) worked with the nine managed care organizations (MCOs), the administrative services organization (ASO) that provides behavioral health services, and with MDH's dental, pharmacy, and long term services and supports teams to update the parity report using the URAC parity manager tool.

CMS Feedback on the 2020 and 2021 Reports

CMS found one notable issue in the 2020 report regarding MCOs waiving copays for certain M/S drugs and not MH/SUD drugs. CMS determined that "Despite copays [for prescription drugs] not being enforced if a participant cannot afford them per Maryland state regulation, the fact remains that some Medicaid managed care beneficiaries have greater cost-sharing imposed on them for MH/SUD versus M/S prescription drug benefits." As a result of this determination by CMS, MDH is committed to working with MCOs to eliminate the option to voluntarily waive drug co-pays for M/S drugs within 60 days of the end of the Public Health Emergency (PHE) in order to bring the MDH into compliance with CMS guidance.

As of September 2022, CMS has not shared any concerns regarding MDH's compliance with parity or its 2021 Parity report.

Changes in the 2022 Report

The majority of this year's parity analysis remained unchanged from 2021's report with a few exceptions. These changes did not impact MDH's parity compliance.

- MedStar and UnitedHealthcare documented changes between their 2021 and 2022 parity reports for their factors and in-operations measure.
- The Department added additional benefits: doula and home visiting services, and expansion of Serious Mental Illness services at Institutions for Mental Disease (IMDs).¹

¹ MDH expanded its IMD program to include those diagnosed with a Serious Mental Illness or Serious Emotional Disorder (SMI/SED) beginning January 1, 2022. These services are outside the scope of the MHPAEA analysis.

- The definition of outlier management was edited to change an ‘and’ to ‘and/or:’ “Procedures that are designed to review services after they have been delivered to assess medical necessity and detect **and/or** prevent fraud, waste, and abuse through investigation of unusual patterns in service utilization, billing, prescribing, and denials.”
- Finally, there were additions of new medications to the FFS and MCO formularies.

Additionally, MDH provided additional guidance to MCOs and ASO on identifying factors and developing related definitions. MDH also began the process of identifying key in-operations measures for the MCOs and the ASO to report on; this effort is ongoing and MDH will provide additional updates on these activities in its 2023 submission.

Potential Parity Issues

There were no new potential parity violations identified in the 2022 report. MDH provided the following updates on previously identified issues:

- **Provider Rate Setting:** MDH continues to acknowledge this may be a parity issue. A brief update regarding forward progress on the rate study required by HB1329/SB967 is provided.
- **Outpatient—Data Collection:** This violation identified in 2018/2019 has been fully resolved. The narrative has been updated to reflect MDH’s engagement with CMS for guidance on alternative means to leverage federal funding to incentivize data collection.
- **Outpatient—Service Limits:** As noted in 2020, MDH awaits further guidance on this potential parity violation due to the similarity between the SL on the ASO side and the NCCI edits the MCOs are required to comply with.

Next Steps

MDH will continue to work with the MCOs regarding pharmacy copays and ensure parity compliance once the COVID-19 PHE ends. Additionally, MDH will continue its planned rate setting study to address provider reimbursement rates. Finally, MDH plans to strengthen the existing alignment between the in-operation comparability and stringency for the different benefits classifications in the coming months.

Updates to this report will continue to be issued on an annual basis on October 1.